



GROSSMONT UNION HIGH SCHOOL DISTRICT NEWS RELEASE

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Contact:

Catherine Martin, 619.644.8082

GROSSMONT UNION HIGH SCHOOL DISTRICT ANNOUNCES SALE OF PROPOSITION H REFUNDING BONDS

Transaction results in savings of \$1.3 million for district taxpayers

El Cajon, Calif. (Nov. 17, 2011) – Grossmont Union High School District (GUHSD) announced today the successful implementation of Proposition H 2004 series bond refunding, which was approved by the Board at its meeting on Oct. 13, 2011. The transaction represents a savings of \$1.3 million for taxpayers in the district over the next six years.

Refunding bonds are used to refinance certain 2004 bonds (“prior bonds”) that have higher interest rates than the refunding bonds. The proceeds of the sale of the refunding bonds are kept in an interest-bearing escrow account until the prior bond’s maturity or redemption date. At that time, the monies in the escrow account are used to pay off the prior bonds along with related interest and redemption costs. The refunding bonds will then be serviced using the same property tax payments initially used to pay the prior bonds, but at a reduced overall cost.

“The district’s taxpayers placed their trust in us by voting to approve both Propositions H and U,” said Deputy Superintendent Scott Patterson. “The process of continually monitoring the financial markets to most efficiently implement the financing of these programs is part of our duty within that trust. We are gratified to be able to return these savings to our taxpayers.”

The transaction, executed on Thursday, Nov. 3, is summarized as follows:

- Total Amount of Bonds Refunded: \$20,920,000
- True Interest Cost: 2.533%
- Net Present Value of Savings: \$1,145,145
- Savings as % of Refunded Bonds; 5.638%
- Average Life of Bonds: 6.137 years

Proposition H, a \$274 million program, was approved by 62 percent of voters in March 2004 to fund repairs of aging schools in the district as well as the construction of a new school. With state school facility program dollars, the Proposition H program is \$327 million. To date, nearly \$322 million has been expended.

Proposition U is a \$417 million General Obligation Bond Measure passed by voters in November 2008. When combined with projected state funding, the estimated program budget is \$605.1 million. The program substantially completes the modernization of district schools, providing classrooms and equipment for Career Technical Education, multi-purpose facilities to support the superintendent’s vision for the arts in education, and the construction of a new high school in the Alpine/Blossom Valley area. Nearly \$80 million in Prop U funds have been expended to date.

More information about the construction programs is available on the [Prop H and Prop U website](#) as well as the [Citizens Bond Oversight Committee](#) web site.

[About Grossmont Union High School District](#)

Established in 1920, Grossmont Union High School District encompasses an area of approximately 465 square miles, including all of the cities of El Cajon, Santee and Lemon Grove, most of the city of La Mesa, a small portion of the city of San Diego, and the unincorporated areas of Alpine, Dulzura, Jamul, Lakeside and Spring Valley. Over 24,000 students are served by the District's schools. The district consists of nine comprehensive high schools, three charter schools, one continuation high school, two alternative education sites, four special education facilities, a middle college high school program, a Regional Occupational Program (ROP) and an adult education program. The District employs 2,300 full-time employees, as well as hundreds of hourly employees, making it the largest employer in the East County. More information about Grossmont Union High School District can be found at www.guhsd.net.

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